

Message Text

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PAGE 01 STATE 056679
ORIGIN EB-08

INFO OCT-01 EUR-12 SP-02 SS-15 INR-07 NSC-05 DODE-00
CIAE-00 ISO-00 INRE-00 NSCE-00 SSO-00 /050 R

DRAFTED BY EB/OA: ARIMAS, EW
APPROVED BY EB/AN: RABROWN
EUR/CE-JKORNBLUM
-----142342Z 030322 /75-S-70

O 142302Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN IMMEDIATE

C O N F I D E N T I A L STATE 056679

E.O. 11652:

TAGS:EAIR,

SUBJECT:CIVAIR: PAN AM AND BRITISH AIRWAY FARE INCREASE
PROPOSAL

REF: BONN 4133

1. DEPARTMENT CONFIRMS AUTHORIZATION FOR CAA TO HOLD UP
PRESENTATION OF ANY PAN AM FARE INCREASE PROPOSAL UNTIL
REASONABLE TIME AFTER STATISTICS HAVE BEEN SUBMITTED
TO FRG.

2. ALTHOUGH DEPARTMENT AT THIS TIME DOES NOT HAVE POSITION
ON MERITS OF ANY PROPOSED FARE INCREASE, IT SHOULD
BE REMEMBERED THAT SINCE AIRLINE FINANCING IS USUALLY
HIGHLY LEVERAGED IT IS POSSIBLE TO HAVE LARGE CHANGES IN
RETURN ON INVESTMENT WITH RELATIVELY SMALL CHANGES IN
FARES. THEREFORE, IT MAY FOLLOW THAT WHILE A FIVE PERCENT
FARE HIKE MAY LEAD TO A TWELVE PERCENT RETURN ON INVEST-
MENT, THE ABSENCE OF A FARE INCREASE MAY RESULT IN A
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NEGATIVE RETURN ON INVESTMENT. HOWEVER, THE FACTS
OBVIOUSLY COULD BE GLEANED FROM PAN AM'S TRAFFIC AND
REVENUE STATISTICS, WHICH THE AIRLINE IS EXPECTED TO
SUBMIT SHORTLY.

VANCE

NOTE BY OCT: DISTRIBUTION PER S/S-O, MR. OTTO.

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AIR FARES, RESOLUTIONS, NEGOTIATIONS, SUPPLEMENTAL AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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Handling Restrictions: n/a
Image Path:
ISecure: 1
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Litigation Codes:
Litigation History:
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Original Handling Restrictions: n/a
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